RAIN INDUSTRIES LIMITED

RIL/SEs/2025 May 8, 2025

The General Manager Department of Corporate Services BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai-400 001	The Manager Listing Department National Stock Exchange of India Limited Bandra Kurla Complex Bandra East, Mumbai – 400 051

Dear Sir/ Madam,

Sub: Transcript of Management Commentary on Un-Audited Financial Results of the Company (Standalone, Consolidated and Segment) for the First Quarter ended March 31, 2025 – Reg.
Ref : Scrip Code: 500339 (BSE) & Scrip code : RAIN (NSE)

With reference to the above stated subject, please find enclosed herewith the Transcript of Management Commentary on Un-Audited Financial Results of the Company (Standalone, Consolidated and Segment) for the First Quarter ended March 31, 2025.

This is for your kind information and record.

Thanking you,

Yours faithfully,
for Rain Industries Limited

VENKAT RAMANA REDDY SINGIDI
Digitally signed by VENKAT RAMANA REDDY SINGIDI
Date: 2025.05.08 21:08:45 +05'30'

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RAIN Industries Limited

Management Commentary on Developments and Performance during the First Quarter of 2025

Introduction by Sarang

Greetings to everyone. A warm welcome to you all for today's management presentation from RAIN Industries Limited. My name is Sarang Pani, and I serve as the General Manager of Corporate Reporting and Investor Relations at RAIN Industries Limited.

Earlier today, we have released our results for the first quarter ended March 31, 2025, and the same is also posted on our website.

Shortly, we will guide you through the performance highlights of RAIN Industries Limited for the First Quarter of 2025.

The speakers for today are:

Mr. Jagan Reddy Nellore – Managing Director of RAIN Industries Limited,

Mr. Gerard Sweeney – President of RAIN Carbon Inc., and

Mr. T. Srinivasa Rao – Chief Financial Officer of RAIN Industries Limited.

Before we proceed, the management would like to note that during this management discussion, forward-looking statements may be discussed that include various subjects such as outcomes, trends, targets, and strategic directions. These statements rely on our current projections and are subject to risks and uncertainties that could cause actual results to vary materially from those suggested by these forward-looking statements. There are certain risk factors that could lead to results differing significantly from our predictions. The discussion today contains certain non-GAAP financial measures; the related non-GAAP reconciliations are provided in the accompanying slides.

Please turn to Slide 3 at this time, where Mr. Jagan Reddy will offer insight to the key developments at the RAIN Group during the first quarter of 2025. Thank you, and now I hand it over to Mr. Jagan.

Slide 3 – Jagan Reddy Nellore:

Thank you Sarang and greetings to all,

Turning to Slide 3 of our presentation, let us begin with the cornerstone of our operation safety. RAIN closed the first quarter of 2025 with one recordable incident, resulting in a Total Recordable Incident Rate (TRIR) of 0.06 for the three months ended March for all three business segments put together. This achievement underscores the unwavering commitment of our employees to maintain an industry-leading safety standard. However, this milestone also serves as a reminder that safety is a continuous journey, not a destination. We must remain vigilant, ensuring that every team member returns home safely to their families at the end of each workday.

The single recorded incident was an unusual office accident, unrelated to our operations. Nevertheless, we took immediate action, conducting a comprehensive review across all our global offices to prevent a similar occurrence in the future. This reinforces our belief that safety is not just about procedures—it is shaped by awareness and the environment in which we work.

Moving to financial performance, we concluded the first quarter with an Adjusted EBITDA of 4.34 billion Rupees. This represents a slight improvement from our fourth-quarter 2024 results and exceeds last year's quarterly performance. However, we acknowledge that we have yet to reach our normalized quarterly EBITDA target. Persistent challenges with raw material costs continue to impact our unit margins, limiting our ability to fully regain our expected earnings. Securing high-quality raw materials at competitive prices remains a priority, though we recognize the difficulties that have persisted over the last several quarters.

Market competition and supply constraints in certain segments have also posed challenges, exerting pressure on both volume and margins.

Entering the first quarter, our focus was firmly on restoring our normalized operating margins to stabilize overall performance. While we have not fully reached this goal, the direction is promising, and results remain aligned with our expectations—fueling optimism as we head into the second quarter and beyond.

In our Carbon segment's Calcination business, the first quarter saw a significant surge in China's green petroleum coke (or GPC) market due to constrained supply. Consequently, prices for Chinese calcined petroleum coke (or CPC) rose sharply, nearly doubling for certain qualities. While there has been some retreat since then, CPC prices in China remain roughly $50 to $100 higher than western world pricing. This shift provides some relief for our calcination business, as historically low Chinese CPC prices had pushed market rates downward over the past two years.

As discussed last quarter, the CPC market continues to experience raw material pricing pressure driven by the emerging battery anode materials (BAM) sector, which consumes low metal GPCs. The current price environment offers timely relief, balancing the headwinds created by BAM demand.

We are also pleased to report the arrival of our first cargos of U.S.-produced CPC in India—marking the reintroduction of non-Indian CPC blend components into our Indian system after a six-year gap. This milestone is an indicator of our global blending strategy, which harnesses our global CPC production network alongside our logistics and blending capabilities. By leveraging these strengths, we are positioned to enhance our competitive supply to regions around India.

With these insights in mind, let us now review our first-quarter performance across business segments.

Across our Carbon segment, we experienced a modest 4% quarter-over-quarter decline in volumes, primarily driven by CPC, while sales prices improved, helping to offset raw material costs. Drilling deeper, CPC sales volumes declined by 7%, due to timing of certain shipments which were spilled over to the next quarter. Looking ahead, we anticipate reasonable growth in CPC sales volumes throughout 2025, supported by the ongoing ramp-up of production capacity at our vertical shaft calciner plant in India, located within a Special Economic Zone (SEZ). Additionally, we are reactivating our unique, integrated global blend strategy, which will provide further support.

These transformational shifts in our Carbon Calcination business highlight the importance of securing reliable access to GPC—particularly as demand intensifies due to increasing competition from

BAM manufacturers. Despite the evolving market landscape, we are strategically positioned to navigate challenges and capitalize on emerging opportunities.

In our Carbon Distillation business, we continue to manage disruptions in raw material supply stemming from the ongoing war in Europe and a weakened global steel industry. These factors have notably reduced local coal tar availability for our Carbon Distillation facilities. In response, we have rolled out technological innovations that broaden our raw material sourcing while mitigating the reduced European coal tar supply. Additionally, our adaptable logistics infrastructure has been configured to secure raw material volumes from greater distances, though at a higher cost.

Finished product prices in this segment have risen modestly, helping to offset escalating coal tar costs and partially preserve margins. Our distillation volumes grew by 6% compared to the fourth quarter, in line with expectations. Looking forward, we anticipate higher volumes in 2025, driven by increasing pitch demand from European aluminum smelters.

Elsewhere in our Carbon Distillation segment, other Carbon Products volumes decreased by 2% during the first quarter, however with a 9% rise in prices.

Turning to our Advanced Materials segment, profitability remained under pressure during the quarter due to raw material shortages in Europe. While seasonality has historically impacted first-quarter results, this year's performance was further challenged by elevated raw material costs. Segment volumes declined by 13%, along with margins pressure, leading to lower profitability compared to Q1 2024.

Despite these headwinds, our team is actively working with traditional and new suppliers to secure relief on raw material availability for the remainder of 2025. Our goal remains clear: to replicate the strong performance our Advanced Materials segment achieved in 2024. Within the segment's subcategories:

- Engineered Products volumes remained stable quarter-over-quarter, driven by seasonal impacts, including demand fluctuations for asphalt sealer products.
- Chemical Intermediates volumes declined due to seasonal trends affecting end-user demand.
- Resins and Downstream Materials maintained flat volumes quarter-over quarter.

Looking ahead, we are cautiously optimistic. Our HHCR plant in Germany successfully completed routine maintenance in March, allowing us to start the second quarter with increased production levels across multiple product lines. Moreover, efficiency improvements from recent technical innovations have helped lower HHCR operating costs.

In Belgium, we have expanded sales volumes from our PA plant, improving operational efficiency while reducing per-unit production costs. Higher PA output also enables increased energy savings, as greater throughput allows our facility to generate more waste-heat steam for internal consumption.

On a broader scale, energy costs in Europe remained manageable during the winter months, aided by milder-than-expected temperatures. However, demand recovery remains uncertain, with industrial sectors across Europe awaiting clearer signs of resurgence. While market sentiment for 2025 remains cautious, we remain committed to navigating evolving dynamics.

The global economic outlook remains turbulent, influenced by tariffs and ongoing conflicts. As of today, tariffs have had no material impact on our business. Given the unpredictability of political developments, there remains a risk that future escalations could impact our operations. However, with the ever-changing nature of global trade policies, providing further guidance at this stage would be speculative. For now, our priority remains clear—ensuring efficiency, competitiveness, and resilience in the market.

In regard to our cement segment, following a challenging year 2024, India's cement industry is poised for strong growth in 2025, driven by increasing construction activity and government infrastructure investments. The cement demand is projected to rise by approximately 8%, supported by improved sales realizations, higher margins, and accelerating project development.

Non-residential construction starts are expected to grow by 3.6% in 2025, marking a return to expansion after a slight decline last year. With market consolidation among national players in India throughout 2024, we anticipate stable net realizations and reduced competition among regional producers.

Pricing trends show gradual improvement, particularly as construction activity gains momentum in post-monsoon and festival seasons. We could see some of these positive initial indicators starting Second Quarter 2025. However, production costs continue to pose challenges, and management remains focused on optimizing operational efficiencies to mitigate impacts.

In summary, we believe that the Cement segment is well-positioned to perform favorably in the quarters ahead.

Now, I will hand over the presentation to Gerry who will provide further updates on the industry and our business on Slide 4…

Gerry….

Slide 4 – Gerard Sweeney:

Thank you, Jagan. Hello, everyone. It is a pleasure to speak with you again.

The outlook for the global aluminum industry remains strong, despite a slight retreat in aluminum prices during the quarter, which have now stabilized around the $2,400 mark. This price level is supported by relatively low natural gas costs and expectations of increased demand amid persistently low LME inventories. In 2024, World Primary Aluminum production reached a new all-time high run rate of 73.1 million tonnes. However, even with this production increase, LME inventories remained at low levels.

Looking ahead, smelting expansions in India and Indonesia are expected to drive the start-up of new capacity in 2025. Furthermore, several additional smelter projects across various regions outside China are scheduled to come online in 2026, reinforcing industry growth potential.

Overall, the aluminum sector appears well-positioned for continued expansion, supported by stable pricing, favorable natural gas costs, and a resurgence in demand. Importantly, with the recent relief on import restrictions in India, our additional CPC production capacity will enable us to meet growing market needs while enhancing our global competitiveness.

Slide 5 – Gerry:

Referring to slide 5, which highlights key commodity price trends and our business performance during the first quarter of 2025, most prices remained relatively stable, with benzene being the notable exception. After a prolonged downward trend throughout 2024, benzene prices rebounded, marking an increase this quarter. We anticipate the positive effects of this shift will become more apparent in the coming quarters.

Natural gas prices in Europe reached an 18-month high during the fourth quarter of 2024, largely driven by seasonal winter demand and supply curtailments throughout the year. However, as we moved into the first quarter of 2025, these pressures eased, and natural gas prices have begun to decline once again.

Slide 6 – Gerry:

Turning to slide 6, which focuses on revenue distribution by end-industry, the aluminum sector accounted for approximately 43% of our total consolidated revenues on an LTM basis as of Q1 2025. We expect this figure to return to its usual range of 44% to 45% by the end of the year.

Our revenue streams remain well-diversified across various industries, including the construction and carbon black sectors, both of which continue to be critical contributors to our overall business performance.

With that, I will now turn the presentation to Srinivas, who will take you through the consolidated financial performance of RAIN on Slide 7.

Srinivas, over to you.

Slide 7 – Srinivasa Rao:

Thank you, Gerry, and Hello everyone.

Turning on to Slide 7, during the first quarter of 2025, RAIN reported a consolidated net revenue of 37.46 billion Rupees, an increase of 0.89 billion Rupees from 36.57 billion Rupees during the same period in 2024. The increase was primarily due to a revenue increase of 2.65 billion Rupees in our Carbon segment, which was offset by a reduction in revenue of 0.97 billion Rupees in our Advanced Materials segment and a reduction of 0.79 billion Rupees in our Cement segment.

RAIN's consolidated, adjusted EBITDA for the first quarter increased by 1.08 billion Rupees compared to the previous year. This was attributed to an increase of 1.63 billion Rupees in the Carbon segment which was offset by a decrease of 0.44 billion Rupees in the Advanced Materials segment, and a decrease of 0.11 billion Rupees in the Cement segment.

Slide 8 – Srinivasa Rao:

Moving to Slide 8, we can see that, for the first quarter, ending on March 31, 2025, our Carbon segment reported revenue of 27.34 billion Rupees, an increase from 24.69 billion Rupees during the same period in the previous year.

During this quarter, the increase in volumes was primarily driven by increased CPC volumes, due to higher capacity utilization of our Indian calcination plants following the relief from import restrictions. During the first quarter of 2025, the average blended realisation decreased by about 5.0 percent on account of lower market quotations in the Coal tar pitch business. There was an appreciation of the Euro against the Indian Rupee by about 1.0 percent, and an appreciation of the US Dollar against the Indian Rupee by about 4.4 percent.

Overall, due to the aforesaid reasons, revenue from the Carbon segment increased by about 10.8 percent in the first quarter of 2025, as compared to the first quarter of 2024.

The Adjusted EBITDA for the Carbon segment increased by 1.63 billion Rupees compared to the first quarter of the previous year. This was primarily driven by increased volumes and increased margins due to re-setting of CPC prices to recover the increase in raw material prices coupled with appreciation of Euro and US Dollar against the Indian Rupee by about 1.0 percent and 4.4 percent respectively.

Slide 9 – Srinivasa Rao:

Moving on to slide nine, we can see the Advanced Materials segment's performance.

During the quarter ending March 31st, 2025, our Advanced Materials segment earned revenues totaling 7.24 billion Rupees, a decrease from 8.21 billion Rupees during the same period in the previous year.

During this quarter, the decrease in volumes was primarily driven by lower demand in chemical intermediates and resins sub-segments. During the first quarter of 2025, average blended realisation increased by 1.3 percent. Further, revenue increased due to the appreciation of the Euro against the Indian Rupee by about 1.0 percent.

Due to the aforesaid reasons, revenue from the Advanced Materials segment decreased by about 11.9 percent during the first quarter of 2025, as compared to the first quarter of 2024.

Adjusted EBITDA decreased by 432 million Rupees compared to the first quarter of 2024, due to lower volumes in certain sub-segments coupled with increase in natural gas prices, offset by the appreciation of the Euro against the Indian Rupee.

Slide 10 – Srinivasa Rao:

Moving on to slide 10, we can look at our Cement segment, which experienced a 21.5 percent decline in revenue in the first quarter of 2025 compared to the same period in 2024, attributable to a 13.4 percent fall in volumes and 9.4 percent reduction in realisations due to market consolidation by national players in this segment.

The Adjusted EBITDA for our Cement segment saw a downturn of 108 million Rupees, due to lower selling prices and volumes.

Slide 11 – Srinivasa Rao:

Moving on to the next slide on debt, slide 11.

The first quarter concluded with a gross debt of 989 million US dollars, which includes working capital debt of 184 million US dollars. Our net debt stood at 854 million US dollars, and, with an LTM EBITDA of 190 million US dollars, our net debt to EBITDA ratio was 4.5x. Over the next few quarters, as performance improves we anticipate this leverage ratio to gradually approach 3.0x.

In terms of liquidity, we closed the quarter with 278 million US dollars, comprised of a 120-million US dollar cash balance and 158 million US dollars available in undrawn credit facilities.

During the quarter, we repaid the US dollar-denominated Senior Secured Notes which were due in April 2025, amounting to 44 million US dollars. The next major long-term debt repayments are scheduled to start in October 2028.

During the quarter, our working capital requirements increased significantly. This was due to several factors. One was thanks to the approval we were granted to import more raw materials at both of our calcination plants in India versus the past import quantity restrictions.

Another factor was the completion of the Indian financial year, by when raw material import quotas for our DTA plant in Vizag must be utilised. The third factor was higher price quotations for raw materials. For these reasons, we utilised the existing cash balance as at the beginning of the year and also increased working capital borrowings during the quarter.

Regarding maintenance capital, the group spent approximately 14 million US dollars during the first quarter of 2025 across all locations.

I will now pass over the presentation to Mr. Jagan for his Closing Remarks.

Closing Remarks – Jagan Reddy Nellore:

Thank you, Srinivas.

As outlined in our earlier comments, 2025 has ushered in a positive shift in our CPC markets. With better positioning and strategic planning, we are well-equipped to capitalize on these favorable market dynamics and drive sustained progress in the coming quarters. Our distillation business remains a valuable contributor, though it continues to experience pricing pressure from raw materials.

To address this challenge, we are actively working on the realignment of raw materials to enhance margins and bolster overall profitability. While this effort requires adaptability and innovative problem-solving, we are confident in our ability to rise to the occasion. The foundation we have built over the past year positions us well to seize emerging market opportunities and regain traditional earnings levels.

A particularly encouraging development has been the relief granted by the CAQM in India, lifting import restrictions after six long years. This milestone has reinvigorated our enthusiasm and unlocked new operational efficiencies. With our Indian and US carbon calcination facilities now running optimally, we are seamlessly reintegrating our global blend strategy, strengthening our competitiveness. Our commitment to restoring the company's earnings remains unwavering, and we are optimistic that this breakthrough will accelerate our path forward.

Looking beyond 2025, we see promise on the horizon. We are especially excited about the potential of our newly announced research and development laboratory and demonstration plant for Energy Storage Materials and Battery Anode Materials in Canada. This investment positions RAIN as a key player in the rapidly expanding EV and battery markets. Through this demonstration plant, we will further solidify our reputation for excellence in battery technology, showcasing the relevance of our products while exploring new applications and supply chain opportunities.

Additionally, we are continually driving efficiencies and volume improvements at our HHCR facility in Germany, which produces cutting-edge adhesives for packaging and hygiene products—industries that are growing steadily in response to increasing environmental consciousness.

Despite the complexities of an ever-evolving global landscape, we remain excited about the future and deeply confident in our strategies. The dedication, ingenuity, and perseverance of our teams are the driving forces behind our continued success. By working together, we will turn challenges into opportunities, ensuring a prosperous trajectory for RAIN and all our stakeholders.

We sincerely appreciate your ongoing support for RAIN Industries Limited and look forward to sharing further updates in our upcoming quarterly presentation.